Scotland’s EU Engagement
Insights from Third Countries and Regions

Report to the
Culture, Tourism, Europe and External Affairs Committee
Scottish Parliament

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The Scottish Centre on European Relations (SCER) is an independent EU think tank, based in Edinburgh, that informs, debates and provides up-to-the-minute, high-quality research and analysis of European Union developments and challenges, with a particular focus on Scotland’s EU interests and policies.

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1. Executive Summary

- Engaging with the EU as a third country or region to influence EU policy-making is challenging. A third country’s relationship with the EU determines its level of access to the EU and its policy-making. Membership of the European Economic Area provides the closest possible relationship to the Union for non-EU European countries. Nevertheless, the formal role in EU policy is limited to ‘decision shaping’ input on EEA-related legislation, with no ultimate right to decide. This democratic deficit is an inherent obligation of participating in the EU’s internal market while not being an EU member.

- Outside the formal EU decision-making structures, third countries and regions must direct their efforts to building indirect influence on EU policy. Approaches can vary from working to shape early thinking on future EU legislation, to building strong relationships with individual EU policy actors to improve the flow of relevant policy information. This engagement requires substantial investments of time and resource, normally with minimal guarantees of success. It can be difficult to predict when and where opportunities for influence might appear, so constant attention to ongoing EU developments proves necessary.

- Given the challenges of influencing the EU externally and the high volume of EU business, third countries and regions require a clear and well-defined EU strategy. Such a strategy delineates the overall EU priorities and the particular policy areas of focus, since it is not possible to meaningfully influence all relevant EU policy. In order to be more successful, external engagement with the EU requires active participation from all levels of government, from the head of government to policy officers. Significant consideration should be given to niche areas of expertise, which can be translated into cooperation with EU partners and add value for the EU in bilateral relationships.

- EU regions are situated much differently from third countries and regions. As constituents of EU member states, they have greater though still limited access to EU decision-making. Such regions have direct representation in the EU, through electing Members of the European Parliament and participating in the Committee of the Regions. They also have indirect representation through their national government acting as an EU member state. Routes to influence on the national EU policy are dependent upon the domestic constitutional context and state of intergovernmental relations. Despite this position on the inside, EU regions still require an EU strategy to engage effectively through determining the policy areas of priority and the relative importance of other aspects such as EU programmes and EU funding.

- Norway is an EEA country and that membership provides a degree of structure to its relationship with the EU. While it participates in EEA decision shaping and joint institutions such as the EEA Council, most of Norway’s EU engagement is concentrated on building indirect influence. Norway dedicates significant resource to these efforts as part of its wider foreign policy, and its ministry of foreign affairs is well-funded. Its EU mission in Brussels is its largest diplomatic representation, and it has an embassy in nearly every EU member state. It engages with the full range of EU actors in Brussels and national capitals, and benefits from particularly strong relationships with the Nordic EU member states. Norway’s international profile as a peace-builder and mediator is an important part of its contribution to its
bilateral EU relationship, and it provides additional avenues for engagement. However, Norway is realistic about its inevitably limited influence as a non-member state. While on occasions Norway can shape the edges of EU policies, rarely does it set their tenets.

- North Norway pursues as its primary EU focus the representation of its regional interests on the Arctic. While regions currently have limited powers in Norway, Norwegian counties operate on a regional basis in Brussels through membership-based offices. The North Norway European Office engages extensively with the EU institutions and member states to attempt to shape the EU’s Arctic policy. Its priorities include embedding the region’s perspective on the balance between economic development and environmental preservation, and socialising EU actors to the modern Arctic economy and lifestyle. The office also supports regional members in accessing EU programmes – and the balance between these types of roles differs across the Norwegian regional offices. North Norway works closely with other regions and the Norwegian mission in Brussels, forming a ‘mini Norway’ system that coordinates EU engagement.

- Geneva is one of the main proponents among the Swiss cantons of a strong relationship between Switzerland and the EU, supporting reform of the EU-Swiss structure of agreements and the free movement of people. Along with its cantonal counterparts, Geneva does not have a distinct external presence in Brussels or elsewhere in Europe. Instead, it contributes to Switzerland’s federal EU and foreign policies through the Conference of Cantonal Governments and other domestic avenues. While Geneva has extensive connections with France and the neighbouring Auvergne-Rhône-Alps region, their cooperation is concentrated on managing their extensive cross-border activity rather than EU policy. Switzerland itself is excluded from formal EU decision-making, with the exception of Schengen, as a country outside both the EU and the EEA.

- Quebec’s engagement with the EU, as an international third country region, focuses on building trade, research and innovation partnerships and opportunities, rather than attempting to shape the EU’s economic rules like the non-EU European states. Its government maintains an extensive international footprint, with offices in a number of EU member states, and it works to build bilateral political, economic and cultural relations. CETA is a major focus for Quebec, and the agreement is already deepening Canada-EU relations. The Quebec government works collaboratively with the Canadian government, such as during the CETA negotiations and on Quebec’s ambition to be a world-leader in artificial intelligence research, innovation and business, which also serves as a focal point for its direct engagement with the EU.

- The Basque Country prioritises enhancing the innovation and competitiveness of its already industrialised economy in its EU engagement. Its delegation office in Brussels brings local stakeholders together for a combined regional presence. The government’s trade and investment architecture, including Basque Trade and Investment, takes a holistic approach to internationalisation and concentrates on improving the region’s strengths in advanced manufacturing and Industry 4.0. The Basque Country forms strategic partnerships with other EU regions and actors, such as through the Vanguard Initiative. It showcases its best practice such as in vocational education to the EU institutions, becoming recognised at European level as a leader in its fields of excellence and therefore building influence in Brussels.
Bavaria is a prominent region of an important EU member state, with a large representation in Brussels for a region, covering every ministry of its devolved government. It engages extensively with the EU institutions, including the European Parliament where it has several high-profile members. Core priorities for EU engagement include further developing the internal market and promoting economic growth. Within the German federal system, Bavaria has multiple avenues to influence the federal government's EU policy. It is a constituent of the Bundesrat, the federal second chamber, and by working with other German regions it can use formal resolutions to attempt to shape federal policy. As a large region, it can also engage with the federal government directly to deliver its point of view on EU matters. In Brussels, Bavaria also works with other EU regions to build coalitions to present a united front on policy issues to the EU institutions.
2. Introduction

This report analyses how third countries and regions engage and influence the European Union. It focuses on the work of national and regional governments and considers their EU strategies, their engagement in Brussels and in EU member states, and their approaches to European relations. It assesses the innovations and lessons which Scotland could take from this analysis to develop its EU strategy and engagement.

The report is structured around the following six case studies of third countries and regions – Norway, North Norway, Geneva, Quebec, the Basque Country and Bavaria. These territories have different relationships with the EU. In Europe but outside the EU, Norway and its North Norway region are part of the European Economic Area (EEA). Geneva as part of Switzerland is in the European Free Trade Association (EFTA). Quebec as part of Canada has a relationship with the EU based upon international agreements, including the EU-Canada Comprehensive Economic and Trade Agreement (CETA). The Basque Country and Bavaria are regions of EU member states, and therefore operate within the EU's structures and through their national governments.

These case studies are designed to be complementary – in the selection of states and regions, and in the forms of engagement, types of relationships and examples of policies and practice which are presented. These countries and regions are all, to a greater or lesser extent, distant from the EU decision-making undertaken by EU member states. They therefore are compelled to undertake alternative means to attempt to shape or influence the EU’s policies.

The fieldwork for this report was conducted in Brussels and London in May 2019. It consisted of interviews with senior officials in the EU institutions, EU permanent representations, third country missions and regional offices. These interviews were supplemented by discussions with key stakeholders in Edinburgh and further afield. The off-the-record insights generated from these conversations are embedded throughout the report.

The European Parliament elections in May began the renewal of the EU’s institutions, eventually culminating in the entry into office of the new European Commission in November. Accordingly, the timing is opportune to reflect on the EU’s strategy and focus for the 2019-2024 legislative period. Although Scotland’s future relationship with the EU is uncertain – as it remains unclear whether the UK will leave the EU or on what basis, Scotland can and should form part of the debate on the future of the EU.

Scotland will equally have to consider its forward European strategy, despite the uncertainty of Brexit. It should ensure that its EU priorities are clear and focused, and grounded in a vision of the kind of European Union that Scotland wants to see in the years ahead. Drawing from this report, Scotland could enhance its EU engagement by learning from and building on the strategies, policies and innovations of these countries and regions.
3. Engagement with the EU

The European Union is a relatively complex supranational entity, currently comprised of 28 member states and 276 regions. Its law-making covers the EU internal market and the range of policy fields where the member states have decided to delegate shared, supporting or exclusive competence to the Union. EU decisions range from major strategic policy choices to individual laws and regulations, whether of a general or often technical nature. While EU decision-making involves its core actors – the main EU institutions and the member states, many other actors engage from different positions on the sidelines. The engagement of a third country or region with the EU is inevitably significantly shaped by its formal relationship with the Union.

Third countries with more comprehensive relations, such as those in the European Economic Area (EEA), have the right to participate in ‘decision shaping’ of EEA-related legislation – although a right to consultation is not a right to decide. Other third countries without such a relationship have generally speaking no formal access to EU decision-making. Third country regions are in a similar position to their states, defined in their EU engagement by their states’ relationship with the EU, though further removed from the state-to-state intergovernmental realm. Member state regions (EU regions) are differently placed, since they are constituents of the Union. They participate in the European Committee of the Regions, the EU institution for sub-state governments, which has an advisory role in some areas of EU policy. Depending upon their constitutional arrangements, EU regions may have input into their state’s national positions on EU issues, in addition to their direct engagement with the EU institutions. Where a country or region has limited or no direct access to EU decision-making, it must focus its engagement on building and exercising influence by the indirect means available to it.

Forms of EU Engagement

In considering EU engagement, it is useful to conceptualise three core concepts of international affairs – diplomacy, paradiplomacy and soft power. Diplomacy is often defined as the conduct of peaceful relations in international politics, involving negotiation, dialogue and exchange. Foreign policy and diplomacy have traditionally been considered the preserve of state actors. Indeed, the creation of the term ‘non-state actors’ derives from their status in opposition to states, the habitual agents of foreign policy. Nevertheless, diplomacy has continued to evolve as global institutions have developed and interconnectedness has increased. Various forms have been added to the lexicon and are now part of governmental strategies, including public diplomacy (direct engagement with citizens, instead of state-to-state relations), digital diplomacy (effective use of internet media and platforms) and cultural diplomacy (deployment of arts, language, values and ideas). Parallel or backchannel diplomacy, involving informal lines of communication and non-state actors such as think tanks and research institutes, also supplements the ordinary work of governments.

The establishment and development of the EU has changed the nature of diplomacy for its member states. Progressive European integration and shared EU institutions mean that a large share of bilateral relations between member states takes place through the EU, in many respects bringing those states closer together. The EU’s role in the world as a distinct entity has continued to grow, with the advents of the High Representative for Foreign Affairs and Security Policy, the European External Action Service, and EU foreign, security and defence policies. While foreign policy remains
an important domain of national competence, cooperation in the EU adds another dimension to member states’ diplomatic strategies. Third countries are part of the wider community of states, and they have access to the levers of diplomacy to pursue their interests. Regions are by nature not equipped with the same tools in the traditional sense.

Consequently, paradiplomacy is quasi-diplomatic engagement by sub-states in international relations.\textsuperscript{2} It has been described as the ‘the external projection of internal competences.’\textsuperscript{3} Indeed, increasing global interconnectedness means that regions often must engage at European and international levels in order to be effective in managing their own domestic responsibilities. European integration has resulted in the formation of that newer political and policy space – the European level – between the national/sub-national and the international. This phenomenon gave rise to Multi-Level Governance, the theoretical concept premised on the notion that ‘authority and policy-making influence are shared across multiple levels of government – subnational, national, and supranational’.\textsuperscript{4} The European level has created significant space for EU regions to engage externally, with a degree of in-built legitimacy that did not exist previously. They can interact directly with supranational actors, work with other regions on policy, or secure EU funding instead of relying on national funding. Non-EU regions engaging on EU affairs operate in the same environment, though with greater limitations on their access and connections to the EU.

Soft power is the ability to persuade actors in the international arena through social and cultural messages.\textsuperscript{5} It can involve the deployment of economic and cultural influence, or notions of values, beliefs and ways of life. Increased global connectivity and progressive digitalisation have made forms of soft power easier to cultivate and propagate, and more important in foreign policy. Indeed, soft power features in both diplomacy and paradiplomacy – and it can serve as an important equaliser for regions in international affairs by enabling them to establish a strong global profile, even in the absence of access to the tools of traditional foreign policy.

The EU is often observed to be major soft power actor, for instance in its influence on the political and economic development of countries in the European neighbourhood, including countries that have since joined the EU or are currently candidates. Soft power is therefore intrinsically linked with influence, which is a crucial component of EU engagement generally, but particularly so for third countries and regions since they are not direct participants in EU decision-making. At the same time, state or regional governments do not have a monopoly on soft power – indeed, it normally derives from non-government sources, such as brands, corporations, universities, public figures and intellectuals, and cultural icons and institutions, among many others. For government, the challenge is to combine the relevant constituent elements of the soft power of its country or region into convincing narratives which support its EU and external objectives. The effective deployment of soft power is therefore essential to successfully having influence in the EU. With these core concepts in mind, the parameters of EU engagement in Brussels and in member states are next considered, followed by an outline of the subsequent sections of the report.

**Engagement in Brussels**

Brussels is the centre of EU decision-making and one of the largest concentrations of diplomatic missions and personnel in the world. For most EU member states, their permanent representations in Brussels are their largest diplomatic missions and involve staff from many government departments. Representative offices of EU and
Engagement with the EU

non-EU regions are also common in Brussels, with differing aims ranging from securing EU funding, participating in EU programmes and engaging on EU policy. Third countries from elsewhere in Europe and internationally operate in Brussels because of the EU’s global importance as a political and economic actor, and its regulatory and standard-setting power. In simply one recent example, the EU’s General Data Protection Regulation (GDPR) has transformed privacy standards globally, particularly in digital commerce, in only its first year of operation. Brussels also hosts numerous European and international business, NGO and civil society organisations. It is unquestionably the principal venue for engaging with the EU.

For third countries and regions, representations in Brussels constitute an essential base from which to advocate territorial interests and to structure a government’s EU activity. Since they are outside the core EU decision-making processes, third countries and regions largely concentrate their Brussels efforts on pursuing their policy priorities through building influence with EU actors. This influence can often be intangible and difficult to measure or evidence, but it is essential to having a degree of meaningful input into EU policy. Third countries and regions make use of many different strategies to attempt to influence EU policy-making, ranging from joining associations and networks to collectively shape the policy agenda; to participating in numerous meetings and discussions with policy-makers; to building coalitions of like-minded partners to advocate policy solutions; and to showcasing domestic policy innovations to generate decision-maker interest.

While the main EU institutions and the member states are naturally the primary focus for engagement, third countries and regions also benefit from interacting with the many other groups of actors which operate in the Brussels policy environment. Interest groups, business associations, NGOs, think tanks, research institutes and universities – among many others – form part of the wider EU debate culture. Engaging with all the various policy actors in Brussels can contribute to intelligence gathering and horizon-scanning, and therefore to building influence. The Brussels EU policy environment is also relatively open – decision-makers are often receptive to evidence and points of view from competent actors, including from those outside the EU. Indeed, many of these approaches for engagement and influence are available to EU and non-EU states, regions and non-state actors.

Engagement in EU Member States

While Brussels constitutes the most important venue for EU policy-making, bilateral relations with EU member states in their national capitals can also prove an important part of EU engagement. As part of its external affairs policy, a third country or region must decide in which EU countries to have a representation, keeping in mind the potential costs involved and its overall international footprint. This process includes determining where to place a representation in a country (in the national capital or elsewhere) and assigning neighbouring countries to a representation’s jurisdiction to cover gaps in local presence. Here, the difference between states and regions is more apparent. Third countries are equipped with an independent foreign policy, a state budget and a full diplomatic network. Accordingly, they usually have greater capacity to maintain a larger and more active diplomatic footprint in the EU member states. Regions are more constrained, depending on their powers, budget, ambitions and relationship with their state government. As a result, they often operate fewer representations with more targeted areas of focus.
With respect to EU affairs, the principal question for representations is their main focus of bilateral relations – whether to develop relations on direct bilateral issues or to engage directly or indirectly on EU policy and policy-making. Given the prevalence of EU law within the domestic systems of the EU member states, indirect engagement on EU matters is bound to arise in some form, but governments may instead prioritise bilateral political relations, economic and trade links, and cultural connections. Third countries have greater to scope to engage locally in EU member states on EU policy, given their autonomy and diplomatic networks, and to triangulate between their own capital, EU national capitals and Brussels. They also normally offer consular services, which can occupy substantial resources, whereas regions have no such responsibilities and instead can tailor their representations more specifically. Where they have representations in EU member states, regions often focus on trade and investment, funding, partnerships and collaborations over EU policy formation. State and regional representations equally normally incorporate or work with their trade and investment agencies.

In conducting a European bilateral relationship, identifying scope for partnerships and potential niche areas for cooperation are important foundational tasks. Potential opportunities can derive from implementing the existing EU or national engagement strategies of a country or region, or from harnessing more organic evolutions on the ground. Existing and emerging bilateral areas of cooperation can have or can develop EU dimensions, which can enhance their value and connect back to engagement on EU policy-making. It is equally worth keeping in mind that EU member states are present and accessible in Brussels, not just in their own capitals. In fact, state actors in national capitals will rely on their officials based in Brussels for intelligence, analysis and advice. While a third country or region can find it useful to develop both bilateral angles – in Brussels and in member states – to engage on EU decision-making, it is important not to underestimate what can be achieved in Brussels.

As with diplomacy generally, the benefits of EU engagement are often intangible and difficult to quantify. Impact and influence on EU policy and decision-making can prove crucial for serving national or regional strategic interests, but it is normally difficult to evidence. Nevertheless, such engagement is essential – not least as the EU’s laws and policies directly and indirectly affect the whole of Europe, whether or not a country or region is part of the Union.

Structure of the Report

Engagement with the EU as a third country or region requires investment, and influence in EU policy-making can often be limited. However, as will be explored, it is possible to exercise some influence through multiple different approaches. In order to be most successful, third countries and regions require a clear set of EU priorities. The following six case studies – considering Norway, North Norway, Geneva, Quebec, the Basque Country and Bavaria – explore their EU strategies and priorities, engagement in Brussels, engagement in EU member states and notable engagement innovations. Four of the six case study territories are outside the EU. One case study is a state, and the other five are regions. In their presentation, the case studies do not follow a formulaic structure and instead feature different themes and characteristics, in order to be complementary and to highlight various aspects of EU engagement. After the case studies, an analytical review of their engagement experiences is undertaken to distil main approaches and strategies, followed by the principal conclusions of this report for Scotland on EU engagement.
4. Norway

A small northern European state outside of the EU, Norway structures its relationship with the Union through membership of the European Economic Area (EEA). It is therefore an ‘EEA country’, distinguishing it from other third countries in its relative closeness to the EU. Through the EEA Agreement, it participates in most of the EU's internal market and its associated four freedoms, implementing a significant amount of EU law domestically over which it mostly has little formal say. While debate on this state of affairs recurs in national politics, Norway is unlikely to seek major change to its EU relationship in the foreseeable future. Instead, it frames its EU engagement as part of its overall foreign policy and from the prism of international relations. Norway spends substantial attention and resource on engaging with the EU as an external actor, working to influence EU decision-making processes from its position on the margins.

Priorities for its EU Relationship

By virtue of its participation in the EEA, Norway benefits from a substantial degree of institutionalisation of its relations with the EU. EEA membership facilitates its participation in EU programmes, which it pays to access, such as Horizon 2020, Creative Europe and Erasmus Plus. While Norway does not have a formal place in EU decision-making like EU member states, it is accorded a ‘decision shaping’ role on matters connected to the EEA Agreement. Much of EU legislation is related to the internal market and determined to be ‘EEA relevant’, so the scope for this participation in terms of policy fields is wide. Norway can express its views through EEA structures such as the EEA Council, the biannual ministerial meeting bringing together EEA countries and EU institutions. It also participates in some EU structures, such as European Commission expert groups and working groups. However, Norway has no guarantee of ultimate influence, since it is not an EU decision-maker.

Despite the formalities of the EEA, relations with the EU are complex. Given its relatively small size and position on the outside, Norway cannot endeavour to meaningfully influence every aspect of EU legislation. The country therefore requires a clear strategy to manage this crucial external relationship. The Norwegian government current organises its EU engagement through a two-part approach. Its multiannual strategy – the current version of which is Norway in Europe: The Norwegian Government’s Strategy for Cooperation with the EU 2018–2021 – sets core objectives. The strategy is supplemented by an annual action plan to develop those objectives in practice. In broad terms, Norway structures its EU relations under three main pillars – (1) the EEA, (2) the Schengen area and (3) foreign policy. Beyond the EEA as a whole, priorities for Norway in its EU relationship include energy, fisheries, the Arctic and foreign policy.

To succeed, this approach requires significant input from all levels of government. The prime minister, Erna Solberg, dedicates substantial time to Norway’s EU relationship, visiting Brussels regularly to hold meetings with a range of actors. The ministry of foreign affairs is well-funded and resourced, with its foreign policy and administration budget set at NOK 7.54 billion (£685 million) for 2019. When EU actors offer Norway opportunities for cooperation, ask for contributions or extend invitations to meetings, the government very often accepts and delivers. In order to exercise greater influence in the EU’s processes, Norway invests in building relationships with key stakeholders.
Norway equally makes use of its diplomatic network to directly and indirectly support its EU engagement. The country currently operates 88 diplomatic missions around the world, more than other European countries its size. By comparison, Denmark has 74 and Ireland has 73 missions. This diplomatic footprint facilitates direct contact in EU national capitals, an important dimension in building and exercising influence for a country in Norway’s position. This extensive reach equally gives Norway greater networking capacity to deliver on international goals it shares with the EU. The country also contributes its expertise to support the EU's work, particularly on foreign policy with the European External Action Service.

Although Norway's EU relationship presents challenges at home, including the democratic deficit involved in the EEA, the model is considered by both sides to work relatively well for the country, given its size and history. As a small open economy, Norway recognises the benefits of a European response to common challenges and actively supports a successful EU internal market. The possibility of Brexit introduces a level of uncertainty for Norway and other third countries in their relations with the EU. For as long as the future EU-UK relationship is undefined, the risk remains that the UK could ultimately secure more favourable non-member terms, which could disadvantage Norway. The concern also exists that the UK might displace Norway as an external partner for the EU on foreign policy, given the UK's greater international weight.

Norwegian Engagement in Brussels

The Norwegian mission to the EU is the country's largest diplomatic mission. It comprises around 50 staff, including specialists from different Norwegian government departments. Such clustering is the approach taken by EU member states in their permanent representations, and it is notable that Norway has followed suit. Its Norway House premises, opposite the European Commission’s Berlaymont headquarters, have been developed into a notable venue for external events, intended to raise the overall profile in Brussels. Many other Norwegian actors engage in Brussels besides the government. Norwegian businesses and civil society participate in European associations or have their own presence. Norwegian universities and the Research Council of Norway have offices in Brussels, as do Norwegian regions. The Norwegian mission and the regional offices work together closely, much more so than for neighbouring Nordic EU member states.

Since Norway has very limited direct input into EU policy-making, beyond the modest formal structures of the EEA, it focuses most of its efforts in Brussels on indirect engagement and influence. This approach requires a significant amount of time and resource to be dedicated to information gathering. For EU meetings on policy and decision-making, the Norwegian mission must learn their happenings, timing and agendas, determine their relevance and value, and find out their outcomes after that fact. On occasions where it proves possible for Norwegian officials to attend, they must judge whether it is worthwhile and how to maximise that opportunity. Norway has the resource to send staff from Oslo, from the ministry of foreign affairs or other government departments, to attend EU meetings – capacity which the other EEA countries do not share. The volume of EU business is high and rigorous prioritisation must be applied in order to engage effectively.

Norwegian officials constantly monitor EU activity for new developments and proposals, to identify trends, challenge and opportunities. Outside formal EU decision-making, the most effective period for influence is the early policy stages – often before a formal legislative proposal is made by the European Commission. Many EU policy
actors will be receptive to good arguments and ideas, particularly in the beginning of the policy process, even from a non-member state. Here, the value of astute and well-informed Norwegian officials engaging adroitly is self-explanatory. Norway’s status as an EEA country also gives it greater legitimacy in the view of the EU to contribute indirectly to EU policy formation.

Where a concern arises in the later stages of policy development, the best strategy for Norway often lies in working with those EU member states whose interests on that policy question are similar to those of Norway. Such alignment can come through existing shared interests between the countries or from proactive engagement by Norway to frame interests as commonalities. Arriving at a situation where EU member state(s) advocate a position within the EU decision-making process, which fits with Norway’s interests, is an ideal success of indirect influence. Admittedly, however, this avenue is dependent upon those particular member states – ultimately, Norway must adapt to their eventual actions and decisions.

As a member of the Schengen area, Schengen is the policy field under which Norway exercises its most substantive formal role in EU decision shaping. It has the right to participate, but not vote, in the ‘mixed committee’ format – bringing together the EU member states and non-EU Schengen countries – of the Justice and Home Affairs Council. Mixed committee meetings also take place on the margins of meetings of the Committee of the Permanent Representatives (COREPER), the EU Council’s main preparatory body. Justice and home affairs fall under COREPER II, meaning that these meetings are held at permanent representative/ambassador level. Norway plays an active role in Schengen debates, attends meetings and works together in groups with EU member states on related policy questions. While the EU member states take the final decisions, agreements reached in the mixed committee are normally approved by them. Schengen is therefore unique in being the only EU sphere in which Norway exercises a near-member state role.

Since Norway is a non-EU country, its formal EU interlocutor generally is the European External Action Service (EEAS), and in particular its Western Europe division. The Norwegian government has relations with the EEAS, both in Brussels and through the EU Delegation to Norway in Oslo. The Norwegian mission has strong relationships with the European Commission, across its priority policy areas. Dialogues with Commission officials are often a useful means of acquiring relevant information on EU policy-making which might otherwise only be available to member states. The EU Council is a relatively weak point in Norway’s EU engagement, due to its intergovernmental nature. The Council is supported by around 150 working groups, to which Norway does not normally have access. The Norwegian mission must prioritise following the work of certain groups, networking with the Council secretariat and engaging with the member states.

In the European Parliament, Norway’s objective is to establish relationships across the parliamentary leadership, party groups, committees and secretariat. Uniquely for a third country, the Norwegian parliament has its own office within the European Parliament buildings in Brussels, through which it can foster direct interparliamentary relations.20 Norwegian political parties are also members of European political parties, and senior Norwegian politicians have the opportunity to interact with their counterparts, including in the centre-right European People’s Party and centre-left Party of European Socialists. While Norwegians do not participate in the EU business of their European parties, such as the selection of Spitzenkandidaten for European Commission president connected to the European Parliament elections, they still form
part of the wider EU political system, and this integration fosters relationships with EU political leaders.

Beyond political engagement with EU actors, Norway is also active to ensure its interests through the institutions of the EEA Agreement. Under the EEA’s ‘two-pillar’ system, the European Free Trade Association (EFTA) is equipped with institutions for the EEA EFTA states which broadly match the EU institutions. In particular, the EFTA Surveillance Authority (ESA) is considered comparable to the European Commission – in respect of monitoring and enforcement of EU law. One notable instance of Norway’s efforts is its successful application to the ESA for approval of its system of regionally differentiated social security contributions.\(^{21}\) The system is designed to mitigate depopulation of the country’s most sparsely populated areas, especially those northernmost, through providing a variable geographically-based discount on employer social security dues to lower the cost of employment.\(^{22}\) Although the system constitutes state aid, the ESA has, mostly recent in 2014\(^{23}\) and 2017,\(^{24}\) judged it to be compatible with the EEA Agreement. Norwegian actors consider this approval significant and evidence of the EEA working as intended.

Norway is generally considered by EU actors in Brussels to be very competent in its EU engagement. It is frequently ‘in the corridors’ near decision-making, while remaining outside the EU. While it is possible to have indirect influence on EU policy as a third country, the degree and circumstances of that influence can be highly variable. The task requires significant dedication of resources and often a long-term perspective. Good relationships and networks matter, though Norway is more likely to succeed in shaping the edges of EU policy rather than defining its key tenets. From its current position, Norway can never be the equal of an EU member state nor a full participant in EU policy-making. Instead, it must accept its position as an interested and active observer as the price of its EEA relationship with the EU.

Relations with Nordic EU States

While Norway and Iceland remain outside the EU, the other Nordic states – Denmark, Finland and Sweden – are EU members. The Nordic countries share deep political, cultural and geographic links, and in some dimensions Nordic cooperation predates European integration. It is logical then both that Norway’s closest EU bilateral relationships are with these three countries, and that it looks to engage with them extensively on EU affairs. Denmark, Finland and Sweden themselves work very closely together in the EU. They share many priorities and perspectives, with some notable differences such as the euro – Finland is a euro member, Denmark is in the Exchange Rate Mechanism (ERM) II and Sweden remains completely outside. In Brussels, officials from their permanent representations hold regular meetings across all issues. They exchange a significant amount of EU information and enjoy a high degree of established trust.

In practice, Norway also has deep bilateral and collective relationships with the Nordic EU states. As a result of these relationships, Norwegian actors are able to access information and to have a degree of influence which goes beyond Norway’s official status as an EEA country. In Brussels, officials from the Nordic EU states regularly share internal EU information with Norwegian officials. This information includes meeting dates and agendas, summaries and readouts, and draft papers and reports. For instance, Norwegians are sometimes given the detailed briefings of the proceedings of EU Council meetings. The sharing of this information is informal and unstructured, and often determined in large part by the personal relationships between officials.
Although these relationships are well-rooted and mutual, Norway as the outsider is unsurprisingly the driving force behind them. In Brussels, Norwegian officials meet regularly with Nordic EU colleagues. Sectoral counterparts will meet with varying frequency, depending on developments and personalities. More structured meetings are supplemented by frequent informal conversations and briefings. However, the exchange of information is not a one-way street. Since Norway is ‘outside the room’ of most EU meetings, its officials spend a large amount of time gathering information from various sources. Often, they collect intelligence which their Nordic EU partners have missed, and which those partners find valuable. Denmark, Finland and Sweden, despite their affinity to Norway, nevertheless prioritise their own interests where they are divergent. Their connection with Norway, and the related information and access which they provide it, is fairly unusual for a non-EU member state.

Norway and its Nordic EU neighbours engage on EU affairs not only in Brussels, but in each of their capitals. Officials across embassies, ministries of foreign affairs and various government departments of the countries know one another, share EU information and discuss EU priorities. In Oslo, for instance, meetings on EU matters between Norway, Sweden and Denmark take place regularly. On some occasions, the EU Delegation to Norway is also invited to attend. Across all arenas, cooperation among Norwegian and Nordic EU civil servants is high. At the political level, exchange is also often productive, though European party affiliations sometimes give rise to political rivalries. The Nordic Council provides another forum in which leaders and officials from these countries meet. While the agenda is focused on Nordic cooperation instead of EU affairs, the various meetings and contacts nevertheless provide opportunities to build relationships and informally discuss EU issues. Consequently, Norway's relations with these EU members are an invaluable dimension of its overall EU engagement.

Bilateral relations with all EU member states are another important part of Norway's EU engagement. Norway has an embassy in 23 EU member states (with the exceptions of Bulgaria, Cyprus, Luxembourg, Malta and Slovenia), through which it conducts relations with national governments directly in their capitals. Most EU member states also have an embassy in Oslo, providing further scope for engagement. For greatest influence, Norway must foster relationships with major EU members such as Germany and France. It can also build relationships on the basis of shared characteristics, such as its northern European geography, small state size or would-be net contributor status. Norway equally contributes under the EEA Agreement to cohesion spending in a number of member states through the EEA Grants and Norway Grants, serving as a basis for partnerships. In its EU bilateral relationships, Norway covers both direct bilateral issues, such as joint work in international development, and EU issues, such as the Schengen area.

International Profile: Peace-BUILDER

Norway maintains a prominent international profile relative to its size. It has built a strong global diplomatic network and is a major international aid donor (11th largest global contributor of net ODA in 2017). Norwegians occupy a number of senior posts in international organisations, including the United Nations. The country has cultivated a general reputation for good global citizenship. Perhaps Norway’s most visible international role is in conflict resolution as an international peace-builder and mediator. A collection of factors, including those above, has enabled it to achieve a high global profile in this area. Norway is a relatively recent independent state (since 1905) and does not have the imperial past of many of its neighbours. It hosts the world-
famous Nobel Peace Prize, alongside high-level dialogues such as the Oslo Forum. Its capital features prominent related think tanks and research organisations, such as the Peace Research Institute Oslo. Norway is seen internationally as an honest broker, and is said to have the 'cultural confidence' to fulfil this mediator function.

In its peace-builder role, Norway has been involved in attempting to resolve past and present conflicts ranging from those in Kosovo, Yugoslavia, Northern Ireland and Somalia to Colombia, Palestine and the Iran nuclear deal. Taking on this role equally brings challenges, such as the reputational risk associated with failed resolution efforts. For instance, its attempts at facilitating peace in Sri Lanka were prominently unsuccessful, although the circumstances were not solely of Norway's making. Moreover, while exercising an important role, Norway is certainly not always the decisive mediator. Where the Norwegian efforts take more of the public spotlight, the world's major powers will often conduct decisive negotiations behind the scenes. In international politics, Norway is also not a 'neutral' country – it is a founding member of NATO – yet it has been able to successful distinguish between its global mediator role and its own defence and security.

This international profile is an important part of Norway's EU relationship. While foreign policy is not part of the EEA Agreement, Norway and the EU cooperate extensively in foreign, security and defence policy. Norway also works with the EU and its member states in international organisations, on topics such as reform of the UN. Norway's global peace-builder role represents an area of expertise where it can bring a distinctive contribution to the EU. In international conflict situations, Norway can perform a mediator role which the EU cannot – for instance, by being politically able to speak with parties to a conflict with which individual EU member states have difficult relations. In that regard, not being part of the EU, or connected to the imperial histories of some member states, is part of Norway's advantage.

Norway's contributions and expertise in peace-building are often highly valued by the EU, and therefore a key component of what the country brings to the table in its bilateral EU relationship. It provides the Norwegian government with opportunities to engage with senior EU figures, such as through hosting them at the Oslo Forum or jointly participating in UN initiatives. For instance, prime minister Erna Solberg built a relationship with outgoing EU High Representative for Foreign Affairs and Security Policy Federica Mogherini through Norway's peace-building work. This specialised niche therefore accomplishes multiple objectives for Norway – it contributes to international peace, constitutes a strong contribution to its EU relationship and increases its engagement with EU actors.

**Summary Point**

In practice, Norway exercises only modest influence in EU policy-making. While its participation in the EEA gives it greater structure and access to the EU than other third countries, and having a clear strategy is essential, Norway must nevertheless invest significant resources in EU engagement for often variable or limited returns.
5. North Norway

Local government in Norway is principally organised around counties and their constituent municipalities. A process of reform is currently under way to consolidate the number of both,\(^{31}\) and to transfer additional powers to the merged counties.\(^{32}\) Norway is also divided into five regions, for mainly historical purposes. When it comes to EU affairs, the counties work together largely along these regional lines. Every Norwegian region – North, Mid, West, South and Oslo – has an office in Brussels (western Norway has two: West and Stavanger), and they work closely with each other and the Norwegian Mission to the EU. In that regard, these regions do not have extensive external affairs policies or a wider international footprint – their main external engagement is focused on the EU, through the framework of Norway’s membership of the EEA. Their Brussels offices are structured as membership organisations, comprised of public and private sector actors from each region.

North Norway European Office

North Norway consists of the three northernmost counties of Nordland, Troms and Finnmark. The counties established the North Norway European Office in 2005, and the office includes six partners from the region, including its largest city Trømsø, the Arctic University of Norway and Nord University.\(^{33}\) In Brussels, most of the Norwegian regional offices are purposely located in buildings that also house EU regional offices, particularly those from the Nordic EU states of Denmark, Finland and Sweden, to make it easier to foster connections with EU partners. Two of the offices, West Norway and South Norway, are located inside Norway House. The North Norway office operates on the basis of a four-year strategy,\(^{34}\) supplemented by an annual list of priorities. It also concludes partner agreements with its six partners, to give focus and direction to their membership.

Its strategy is based on two main objectives: (1) to promote North Norway’s interests to the EU and (2) to make the most of opportunities to participate in EU programmes and build partnerships under Norway’s EU relationship. For the first objective, the office undertakes a central role as an advocate for North Norway in the EU. This work focuses predominantly on the region’s strong Arctic profile, its sparse population and its peripherality – and the realities, challenges and opportunities associated with those characteristics. For the second objective, the office engages with its partners on EU programmes, partnerships and related funding in which Norway participates through the EEA, including Horizon 2020 and Creative Europe. Research and innovation connected with its two universities, alongside energy, the environment, natural resources and transport, are areas of focus. These efforts include information gathering in Brussels on programmes and networks, and increasing awareness locally in the region of the opportunities available.

Norwegian Cooperation in Brussels

North Norway engages extensively with the Norwegian Mission to the EU and the other Norwegian European regional offices. They are all well connected to each other and, along with other Norwegian actors, constitute a sizeable ‘mini Norway’ in Brussels. It is often easier for these regions and other Norwegian partners to collaborate in Brussels than might be the case in Norway, in part due to their regular contact and proximity in the city. The Norwegian mission and regional offices hold regular meetings to share agendas and information and to work together. They
informally operate a complementary approach – the Norwegian mission focuses on macro-level issues and its main priorities, and the regions concentrate on their sectoral-level interests. By working cooperatively together, they cover more collective ground for Norway on EU affairs. North Norway and the other regions supplement these meetings with discussions with the diplomatic mission and each other. The regional offices hold their own joint meetings and organise two large annual conferences together in Brussels.

The Norwegian regions work together collaboratively, for instance on making the case to the Norwegian government for continued participation in EU programmes. Norway must subscribe to individual programmes and pay for access, for the length of a multiannual financial framework (MFF). With the next MFF for 2021-2027 currently under negotiation, Norway will need to decide its programme subscriptions for this cycle – whether to continue with its current choices or to make changes. Since the Norwegian regions value their participation in current programmes, they decided to collectively generate a body of evidence supporting continued participation. Each regional office undertook a case study of a particular EU programme in Norway, including Creative Europe, the LIFE environment and climate programme, and Digital Europe, gathering together programme engagement, achievements, impact and stakeholder interests. This evidence was presented to the Norwegian mission and the Norwegian government as a strong basis for Norway renewing its participation in those EU programmes.

Engaging on EU Arctic Policy

North Norway's main European policy priority is the EU's Arctic policy. As a northernmost region, it faces a challenging natural environment compounded by difficult geopolitics. Its objective is to build among EU actors what it considers to be a more accurate understanding of the realities of the Arctic, its economy and environment.35 For North Norway, this awareness-building focuses on advocating the need for a more appropriate balance between environmental preservation and economic development. The EU imports resources from North Norway and other parts of the Arctic, including minerals, fisheries, energy and oil and gas. At the same time, the EU's policies, from North Norway's perspective, were in the past unrealistically weighted towards 'preserving the Arctic'. The region feels however that the EU's most recent Arctic policy communication from 201636 strikes a better balance, and several Norwegian and EU actors take the view that North Norway's efforts had some influence in shifting the EU's position.

The regional office engages with a range of EU actors to increase knowledge of Norway, North Norway and the Arctic in real life. It organises annual study visits of relevant MEPs and advisors to North Norway, to demonstrate the modern Arctic economy and the region's emphasis on moving to a circular economy – and to demystify preconceptions about the Arctic and its rurality. The office engages with the European Commission and the European External Action Service, including through the latter's Arctic Stakeholder Forum.37 However, turnover of EU personnel covering the Arctic has proven high, so North Norway proactively engages with those actors to build renewed networks and knowledge.

North Norway also works collaboratively with regions that share similar characteristics and challenges. It is a partner in the Northern Sparsely Populated Areas (NSPA),38 a network of the northern regions of Norway, Sweden and Finland which aims to promote their shared interests in the EU. The NSPA allows North Norway, the only non-EU region in the group, to engage closely with its Nordic EU neighbours and to
build coalitions with EU regions, particularly on northern and Arctic issues. Its relationships with Finland and Sweden, at regional and national levels, are often its most important avenues for engaging with EU member states and accessing the EU's policy processes. Actors in the EU institutions are also often receptive to the expertise and direct knowledge on Arctic issues which North Norway and its counterparts bring to the table. The European Commission in particular will to some degree listen to the views and concerns of regions, as experts on the ground, more than third country states – providing opportunities for North Norway to leverage its expertise on the Arctic into indirect influence on the EU’s Arctic policy.

Summary Point

The North Norway European Office has prioritised articulating its constituents’ interests on EU Arctic policy, from engaging directly with EU actors to working together with fellow northernmost regions. Given the Arctic’s importance to the EU, from natural resources to geopolitics, EU actors are often receptive to North Norway’s expertise and perspective.
6. Geneva

Geneva, formally the Republic and Canton of Geneva, is the westernmost canton of Switzerland, largely surrounded by France. The canton is francophone and well-known for hosting United Nations bodies and other international organisations. As part of the Swiss confederation, Geneva has wide-ranging competence over its internal affairs and the right to be consulted on external affairs where its powers or direct interests are concerned. Switzerland is a member of the European Free Trade Association, but not the European Economic Area, and its relationship with the EU is based on a complicated patchwork of sectoral bilateral agreements. While it participates in large parts of the four freedoms of the EU's internal market and in the Schengen area, outside of the EU and EEA, Switzerland must work even harder to influence the EU. In practice, Geneva's engagement with the EU is predominantly indirect and through the Swiss government.

Switzerland's EU Relationship

The current EU-Swiss relationship developed over time, particularly following popular rejection of EEA membership in 1992, and was not the product of careful design. The bilateral agreements mostly do not have provisions to incorporate future changes to EU law like in the EEA Agreement, so changes must be negotiated – leading to a constant state of negotiation. While many of the agreements are freestanding, they are equally linked by guillotine clauses – if obligations are not fulfilled under one agreement, others also fall. Switzerland's access to the internal market or EU programmes can consequently be suspended on relatively short notice if it does not uphold its commitments. In recent years, the free movement of people has proved controversial in Switzerland, as evidenced through its narrowly successful 2014 referendum on controlling migration.

The EU has long been dissatisfied with this sectoral and fragmented approach, and in the aftermath of the immigration referendum negotiations began to develop an institutional framework to provide greater uniformity to its relations with Switzerland. These negotiations concluded in December 2018, though the Swiss Federal Council decided to undertake further public consultation rather than endorse the agreement. While the EU has made clear its view that the negotiated text is final, the Federal Council requested further changes in June 2019. It remains to be seen what resolution might be found and the implications for Switzerland. Brexit has also had a significant impact on the reform of the EU-Swiss relationship. The EU does not want to create a precedent of a third country having more favourable access to its internal market or programmes without equivalent responsibilities. Despite Switzerland's prevarications on the new institutional framework, the EU as the much larger economic and political actor is in a stronger position, and any outcome will inevitably involve Switzerland adapting to the EU rather than the other way around.

Genevan External Affairs Policy

Geneva is generally strongly supportive of a close relationship between Switzerland and the EU. In the 2014 immigration referendum, the canton rejected the proposal to limit the free movement of people by 61% to 39%. In 1992, it voted by 78% to 22% in favour of Switzerland joining the EEA. The Genevan cantonal government (the Council of State) manages its EU and international affairs through the Directorate General for External Relations, under the Presidential Department. The council
produces an external affairs action plan for each legislative period. On the EU, the strategy outlines the council’s desire for the new EU-Swiss institutional framework agreement to be concluded in the near future, and articulates its strong support for the continued free movement of people under the EU's internal market. As the host of many UN agencies and international organisations, the strategy also places significant emphasis on developing this ‘International Geneva.’

The canton benefits from a high degree of interconnectedness with France, particularly with the bordering Auvergne-Rhône-Alpes region. In addition to their geographical proximity, they share the same language and strong cultural links, all of which facilitate cross-border economic activity, employment and tourism. Around 80,000 cross-border workers, mostly from France, commute into Geneva – a quarter of all cross-border workers into Switzerland and the highest of any canton. This close relationship gives rise to many local transborder matters. Cantons have the right to conclude agreements with neighbouring states on their areas of competence, provided that they do not impact upon federal interests or policy. Geneva has a number of such agreements with Auvergne-Rhône-Alpes (and its predecessor Rhône-Alpes). They also conduct frequent dialogue and exchanges at official and political levels. In that regard, France is the only principal country with which Geneva undertakes bilateral engagement. While the EU provides a strong mediating dimension, this cooperation is largely practical rather than focused on influencing the shape of EU policy.

Conference of Cantonal Governments

Geneva and the other cantons contribute to Switzerland’s EU and foreign policies through the Conference of Cantonal Governments (CCG). This body is organised by the cantons themselves, and was established in 1993 following the narrow rejection of EEA membership in the national referendum the year before. While the CCG considers matters related to domestic policy and external affairs, a central goal behind its creation was to enable greater involvement of the cantons in Swiss foreign policy. Under the Swiss constitution, as amended, the cantons have the right to be consulted on foreign policy where their powers or direct interests are involved – though the federal government retains the authority to decide and the cantons have no right of veto.

On EU affairs, the purpose of the CCG is to coordinate the cantons’ policies. The large majority of the CCG’s foreign policy work concerns Swiss-EU relations. To take a collective cantonal position on an issue, a qualified majority of 18 of the 26 cantonal governments is required. Collective positions are put to the federal government, and form part of the continual dialogue between the two levels. The federal and cantonal governments also engage with each other through the Europe Dialogue, a high-level intergovernmental forum for discussion on EU policy between representatives from the federal government and the CCG. Switzerland is a linguistically and culturally diverse state, and the different cantons hold diverging views on the EU. Geneva, Zurich and Basel are among the most supportive of a closer relationship between Switzerland and the EU. Support from the cantons for the federal government’s EU approach is important politically, not least as they often have responsibility for implementing laws resulting from the EU-Swiss agreements. Switzerland’s direct democracy model also means that public opinion on the EU in the cantons is regularly tested in referendums.
Swiss Engagement in Brussels

Switzerland operates a unified external affairs presence built around its federal institutions. Neither Geneva nor any of the other cantons have separate offices in Brussels or in EU member states. All federal and cantonal government engagement in Brussels is based in the Swiss Mission to the EU. A specific official within the mission, the Representative of the Cantons, is responsible for ensuring the cantons’ interests, as determined by the CCG, across all of its work. This representative is the only agent of the cantons located outside the Swiss state. The official is a member of the Swiss delegation in meetings and negotiations with the EU, where cantonal powers and interests are involved, including the recent institutional framework negotiations and Schengen mixed committee meetings of the Justice and Home Affairs Council and COREPER II. Involving the cantons in the federal government’s approach to Schengen is important, as they have responsibility for police and justice.

As a third country outside the EEA, Switzerland has even less access to EU decision-making than its EEA EFTA counterparts. It must therefore invest extensively in indirect engagement with the EU institutions and the member states. The Swiss mission builds contacts and networks with EU officials, develops bilateral relationships with member states and engages with members of the European Parliament. Swiss businesses, particularly from the financial services and pharmaceutical industries, are also active in promoting their interests in Brussels. Switzerland equally seeks to make use of its decision shaping role, which is limited to Schengen. In a recent high-profile case, it successfully negotiated an understanding with the EU on the revised EU Firearms Directive (EU 2017/853) to make provision for its traditional firearm ownership culture. A public-initiative referendum was called, and the arrangements were approved in May 2019 by 64% to 36%. This accommodation is seen by Swiss and EU actors as an effective use of the EU participation arrangements available to Switzerland. However, its access to decision shaping is significantly reduced from that of Norway, which holds these rights for the EEA Agreement in addition to Schengen.

Summary Point

Geneva assesses its strategic interests to lie in modernising EU-Swiss relations and maintaining Switzerland’s relationship with the EU internal market, influenced by its close relationship with France. Like all Swiss cantons, it conducts its EU engagement indirectly through the Swiss federal institutions in place of a distinct external presence.
7. Quebec

Quebec is known for its francophone history and strong sense of identity, with some considering it the ‘most European’ province of Canada. Nevertheless, the geographical distance means that the relationships between Quebec and the EU, and Canada and the EU, are of a very different order than for countries like Norway and Switzerland. While the EEA/EFTA countries are highly integrated into the EU’s internal market and conduct most of their trade with the EU, Quebec’s and Canada’s strongest economic relationship is by far with the United States. Accordingly, for Quebec engagement with the EU is much less about exercising influence over EU policy-making (and EU laws which might substantially impact its own position), and more about creating and expanding opportunities for trade and collaboration.

Organising Quebec’s External Relations

Under Canada’s federal system, Quebec has strong political institutions and extensive provincial competences. While the federal government is responsible for foreign policy and trade, the Quebec government actively engages internationally in support of its responsibilities and distinct identity. Quebec has an extensive global presence and robust structures to organise its external relations. A dedicated government department, the Ministry of International Relations and La Francophonie (MRIF), has responsibility for managing Quebec’s external affairs. MRIF operates with around 475 staff, and total expenditure for the ministry in the 2019-2020 budget is set at C$112 million (£67 million). Quebec’s current international policy, Quebec on the World Stage: Involved, Engaged, Thriving, was published in 2017 and contains two themes related to the EU – (1) the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and (2) northern and Arctic affairs. This policy is developed further in MRIF’s current Strategic Plan 2018-2022.

Through MRIF, the Quebec government maintains a sizeable international footprint, with 32 representations worldwide, ranging from full delegations to trade offices. Nearly all its international offices are situated in separate premises from the local Canadian diplomatic mission. The government is also represented abroad by three envoys, focused respectively on: climate change, northern and Arctic affairs; human rights, LGBT rights and gender equality; and international mobility and professional qualifications. Quebec is more active in external affairs than any other Canadian province, due to its history but also its desire to contribute to international issues. This substantial investment in international affairs is underpinned by a philosophy that external engagement and diplomacy can be strategic investments with positive returns over the longer term. Quebec’s external relations are also founded on a consensus among the Quebec public that this external action is appropriate and worthwhile.

Strategic Engagement with the EU

Major priorities for Quebec in its EU engagement are research, development, innovation and trade. Quebec has a strong knowledge economy, and fostering and developing relationships with European partners on research and investment are a significant focus. The province values Canada-EU research cooperation, and it provides funding to support Quebec researchers participating in Horizon 2020 projects. It pursues strategic engagement with the EU institutions to further these interests. The Quebec government organises around three ministerial visits to Brussels per year, the most recent of which have concentrated on the European
External Action Service and the European Commission’s Directorate-General for Trade. The government also engages regularly with the EU Delegation to Canada and EU member state embassies in Ottawa.

One particular dimension of Quebec’s EU engagement is around artificial intelligence (AI). The Quebec government has set the ambition of making Quebec a world-leader in AI research, innovation, business activity and adoption. Montreal is already an internationally-recognised hub, with dense AI research networks at the University of Montreal and McGill University. The government commissioned a strategy on developing Quebec’s AI ecosystem, which led to the Montreal Declaration on the responsible development of artificial intelligence. An International Observatory on the societal impacts of artificial intelligence and digital technology was recently launched at Université Laval, and Quebec hosts the Canadian government's AI-Powered Supply Chains Supercluster (SCALE.AI). From the perspective of Quebec actors, an important feature of these specialisations has been the sustained university involvement beyond initial and start-up phases – expertise has remained in universities and not substantially migrated to the private sector, and therefore resulted in better social outcomes.

Quebec’s objectives here for its EU relations are to build its reputation on AI in Europe, and to foster related business and research connections. The Quebec government is an observer on the European Commission’s High-Level Expert Group on Artificial Intelligence, and a Quebec-based entrepreneur is also a member. Through this kind of engagement, Quebec can contribute to the EU’s debates on the policy environment that is being developed for AI technology and industries, which are important given the EU’s global role as a regulatory power. This specialisation on AI also features in the trade and investment work of Quebec’s offices in Europe. The investment by Quebec in establishing an international profile of excellence and expertise in AI and technologies of the future is ultimately a strategic decision intended to sustain economic and social development at home. Policy engagement with the EU around AI serves to enhance that profile, while related EU-Quebec research collaborations and trade and investment activity are manifestations of success in generating benefits from this niche focus.

Quebec Government Offices in Europe

A significant part of the Quebec government’s international footprint is located in the EU. While these offices are of different size and focus, the larger delegations cover political, economic and cultural affairs, in addition to education and immigration. Its European network consists of full general delegations in Belgium (Brussels), France (Paris), Germany (Munich) and UK (London); a delegation in Italy (Rome); a bureau in Spain (Barcelona); and a trade office in Berlin. It also has two separate additional offices in Paris, one each for the Francophonie and UNESCO. Most of these offices are tasked with covering both their host country and neighbouring countries. For instance, the London delegation is also responsible for the Nordic and Ireland. Trade promotion is also carried out by Investissement Québec (IQ), the government’s trade and investment agency, run under the Ministry of Economy and Innovation. In Europe, IQ operates from the Quebec government offices in London, Munich and Paris, and from the Canadian embassy in Stockholm.

The Quebec Government Office in Brussels covers both relations with the EU and bilateral relations with the Benelux countries. Around a quarter of its staff work on EU affairs, and its major EU priority is CETA. The office actively monitors EU legislation related to CETA and international trade, along with the progress of member state
ratifications of the agreement. While the Quebec government considers CETA to be a major source of new economic opportunities, relatively few Quebec companies have so far made use of the agreement to increase exports to the EU. In contrast, under CETA’s current provisional application, EU exports into Quebec have notably increased. In addition to its policy work, the EU team in the office works to assist Quebec companies to understand the EU and the options under CETA to trade with the EU. Brexit is another area of focus – given the UK’s ostensible withdrawal from CETA if it leaves the EU and the uncertainty over future Canada-UK trade relations. The office also produces an annual report of its strategic activities, a useful means of showcasing its engagement work.

Overall, Quebec’s European offices emphasise developing bilateral relations with their host and remit countries. Unsurprisingly, Quebec’s strongest EU bilateral relationship is with France, a country with which it has extensive links. The two partners have long-standing institutions to structure their relations, including the Permanent Commission for Franco-Quebec Cooperation. While this range of interaction with multiple EU member states does involve a degree of engagement on EU policy, the predominant focus is on direct bilateral issues. Engagement on EU affairs is delegated primarily to the Brussels office, while the other offices focus on bilateral trade, investment, partnerships and networks. Major international themes for Quebec, such as Arctic affairs, are taken up by the relevant offices – in that case, the London office with the Nordic countries – though without a significant EU focus.

Relationship with Canadian Mission to the EU

The Quebec Government Office in Brussels and the Canadian Mission to the EU share a collaborative working relationship. Officials regularly meet informally to exchange information and ideas, whereas structured engagements are limited. This approach is considered more productive and avoids the complexity often associated with formal intergovernmental relations within Canada. The Quebec office will sometimes seek assistance from the Canadian mission on securing meetings with senior EU officials. Where EU-Canada relations relate to provincial competence, the Canadian mission will normally proactively keep the Quebec office informed. On other matters, the Canadian mission is more reactive to engagement from the Quebec office. The two representations also organise joint activities in Brussels, and the mission is seen to be supportive of Quebec’s European trade and innovation priorities.

The most significant recent development in Canada-EU relations has been the conclusion of CETA. Both sides consider the agreement as a standard-setter on how trade and trade agreements are conducted globally. CETA was ultimately determined to be a ‘mixed agreement’ – engaging both the EU and its individual member states – so it requires ratification by all EU states. Pending those notifications, most of CETA has been provisionally applied since September 2017. The process of EU national ratifications of a major treaty is normally protracted, and to date only 13 member states have ratified CETA. While international trade is a federal competence, the Canadian government took the view that it was important to involve Quebec and the other provinces and territories in the CETA negotiations. Canada did not have a predefined intergovernmental procedure regarding trade negotiations, so the processes that developed were new. The aim was to secure internal Canadian consensus on major points related to provincial competence, before negotiating with the EU.

In preparation of the Canadian negotiating positions, numerous public consultations were undertaken by the federal, provincial and local governments. Bodies such as the Council of the Federation, the association of the premiers of the provinces and
territories, contributed to the pre-negotiation national dialogue on CETA. During the negotiations, while the federal government conducted all talks for Canada, provincial delegates, including from Quebec, attended the negotiation rounds as part of the Canadian team. The CETA discussions concerned matters of provincial competence, including services, procurement, pharmaceuticals and intellectual property – this factor served as the anchor for their participation. Indeed, a number of the EU’s priorities in the negotiations fell within provincial jurisdiction domestically, making their involvement even more logical. For the federal government, the implementation of CETA has been made easier by the fact that the provinces and territories were involved from the beginning, and were on board with the agreement at the time of its signature.

The conclusion of CETA has transformed Canada-EU relations beyond trade. The agreement has created new venues for dialogue, including joint committees, stakeholder forums and scope for regulatory cooperation, giving Canada greater access to the EU’s ongoing debates. The EU and Canada also signed a Strategic Partnership Agreement alongside CETA, with the aim of increasing cooperation in areas such as human rights, international peace and security, and sustainable development. Collaboration can also develop organically – for instance, the two partners currently run an ad hoc partnership on disinformation and election interference. The Canadian mission has also become known as a neutral convener of topical events, bringing together different EU actors who value that networking. Both Canada and Quebec are active participants in the wider Brussels debate culture, where indirect influence can often begin to be cultivated.

**Summary Point**

Quebec focuses its EU engagement on its strategic priorities, such as artificial intelligence and CETA, to promote trade, research and innovation and to contribute indirectly to the EU’s global role as a norm-setter. While Quebec’s substantial diplomatic footprint in Europe concentrates predominantly on bilateral relations, its offices also engage locally on multilateral and European issues like Arctic affairs.
8. Basque Country

The Basque Country is highly industrialised, with some of the highest rates of exports, productivity, and research and development investment in Spain. Under its statute of autonomy, the region has extensive competences, including in finance and taxation. In the Basque government, European and external relations are based within the Department of the Presidency, and EU engagement is well integrated into the government programme and strategies.\(^7\) One of the strategic objectives of the government’s External Action Plan 2018-2020 is to strengthen the presence of the Basque Country in Europe. The plan aims to increase the region’s direct engagement with the EU institutions and on EU decision-making, and to build influence and leadership in its areas of competence, as a ‘co-creator and joint leader’ of the European project. EU engagement also forms part of its international framework strategy\(^7\) and the Basque government launched its Vision for the Future of Europe strategy in March 2018 to contribute to the ongoing debates on the EU’s future.\(^7\)

Basque Country Delegation in Brussels

The Basque Country Delegation to the EU was established in 1995, though it was preceded by other Basque offices dating back to Spain’s accession to the EU in 1986. Originally, the Spanish government had objected to regional governments having offices in Brussels, in its view amounting to foreign policy. However, a court ruling in 1994 clarified that the EU was considered domestic rather than international affairs. While operated by the Basque government, the delegation is specifically named to make reference to the Basque Country as a whole and to reflect its mission to represent the region’s collective interests. The delegation brings together government, businesses, chambers of commerce, universities and other organisations – under an internal agreement that they will not set up independent offices in Brussels and instead work through the single representation, to provide a more unified voice and to share knowledge and expertise.

From its position within the Department of the Presidency, the delegation coordinates the government’s EU policy engagement in Brussels and works with all government departments. Industrial policy, research and development, innovation and internationalisation of the economy are particular areas of focus. For its stakeholders, the office provides specialised information on EU programmes, facilitates European contacts, and works to build European partnerships. It supports Basque organisations ranging from businesses to municipal governments in understanding and accessing EU policies, programmes and networks. The delegation also works closely with the SPRI Group, the Basque government business development agency, in its economic activities. The office endeavours to make good use of its institutional memory to translate its collective understanding of the EU policy apparatus to assist Basque actors in interacting effectively with the European level.

Relationship with the Spanish Permanent Representation

Relations between the Basque Country delegation and the Spanish permanent representation in Brussels are substantially formalised and structured. The permanent representation organises meetings bringing together all the Spanish regional offices, in which its officials relay EU information to the regional representatives. This dialogue is largely intended as a one-way flow of information rather than an exchange. The permanent representation has several regional affairs counsellors, and the general
expectation is that regional offices should mainly interact with the mission through them. The representation also facilitates some participation by the regions in the work of the EU Council. The Basque Country and Navarre, the two Spanish regions which run their own tax systems, now form part of the Spanish delegation for the Council working group on taxation – previously a long-held demand.

All Spanish regions are included in the work of the Council configurations which the Spanish government decides are related to regional competence. These are currently: (1) Agriculture and Fisheries, (2) Education, Youth, Culture, and Sport, (3) Employment, Social Policy, Health and Consumer Affairs, and (4) Environment. Their participation is limited to one regional representative as an observer in the Spanish team, in the Council’s working groups, COREPER and ministerial meetings. The regional offices take part in a six-month rotation, aligned with the presidency of the EU Council, in exercising this role. The incumbent will coordinate with the other regions and report back on meetings. However, this system can be time-consuming for the nominated region and perceived as more of a burden than an opportunity. Most dossiers run much longer than six months, so regional offices have to build up expertise during their short tenure but then pass on unfinished files to the next office, which must begin its own work on those issues.

Regional Partnerships and Promoting Innovation

Regional partnerships and networks are an important part of the Basque Country’s engagement with the EU. Its positions are not always supported or represented by the Spanish government, and working with other regions and actors across Europe can often prove effective in delivering messages to the EU institutions. For instance, the Basque Country is a member of Euromontana, a network of public and private organisations from European mountainous areas. By concentrating on EU officials, and bypassing the member states, the network has been able to create a favourable consensus on EU agricultural funding for mountainous regions. The Basque Country also works collaboratively through associations such as the Conference of Peripheral Maritime Regions (CPMR), a network of coastal regions. Forming alliances can be a productive way of bringing together regions with shared challenges, and articulating a common solution to EU policy-makers.

The Basque Country also builds strategic partnerships with particular regions to advance mutual goals. As an economically prosperous territory, it is focused less on securing EU funding and more on finding and creating opportunities to use its own money in joint initiatives to address its priorities and add value. The region has concluded cooperation agreements in the past few years with Bavaria, Flanders and Wales, intended to develop relations on matters ranging from research, innovation, manufacturing and industrial policy to energy, education, professional development and culture and creative industries. The Basque Country is also a partner in the Vanguard Initiative, an independent network established in 2014 by a number of EU regions to increase industrial innovation. It currently co-leads one of the pilot projects, ‘Advanced Manufacturing for Energy Related Applications in Harsh Environments’, jointly with Scotland. This Vanguard project has facilitated greater contact between figures in research, business and government across the ten participating European regions. The European Commission has been particularly interested in the Vanguard Initiative and how its model could be adopted more widely.

Promoting innovation and best practice to EU actors is another means by which the Basque Country conducts its EU engagement. Basque government actors frequently visit the EU institutions to share developments around the region’s modern industrial
economy, research and technology. By showcasing new innovations to the Brussels policy community, the Basque Country contributes to its reputation for excellence in these areas. From the Basque government’s perspective, an important part of this profile building is the active participation of the innovators themselves – researchers, entrepreneurs and designers eager to share their new creations at European level. Moreover, EU actors recognise various forms of success in the Basque Country – the Basque system of vocational education was recently highlighted by an EU agency as European best practice. The Basque Country delegation has also recently received expressions of interest from EU officials on the experience of Bilbao, its largest city, in urban renewal and development, establishing contact between them and city authorities. Receiving proactive contact from EU policy actors is a hallmark of meaningful influence, as it demonstrates that the EU actors have internalised the Basque Country’s profiles of expertise and consequently decided to consult them of their own initiative in the formation of related EU policies.

Basque Government Presence in Europe

The Basque government’s only full delegation in Europe outside of Spain is its Brussels office. Its other delegations are mainly located in Latin America and the United States. The government’s presence in Europe takes on a strong trade and investment focus, aligning with its emphasis on developing its modern industrial economy. Through its SPRI Group, based in the Department of Economic Development and Infrastructure, the Basque government operates a substantial portfolio of agencies and initiatives around trade, investment and innovation. Its Basque Industry 4.0 strategy is designed to develop the region’s position in knowledge-intensive manufacturing, concentrated on its Smart Specialisation Strategy priorities of advanced manufacturing, energy, nanotechnology and biotechnology. Its related Basque Digital Innovation Hub is intended to foster enterprise in robotics, connected machines, additive manufacturing and cybersecurity, while its ‘Invest in Basque Country’ programme is focused on foreign direct investment.

Basque Trade and Investment (BTI) is the government’s main business development and internationalisation agency, intended to support Basque companies in expanding their interests abroad, particularly small and medium enterprises. Its aim is to provide a holistic approach to internationalisation, drawing on the wide-ranging expertise within the SPRI Group. BTI operates 16 offices worldwide, including five in EU member states – the Czech Republic (Prague), Germany (Munich), Italy (Milan), Poland (Warsaw) and the UK (London). In addition to working with companies, each BTI office acts as a base to support other SPRI programmes and Basque government engagement locally. BTI works from a multi-year internationalisation plan, which aligns with the government’s programme, and it is subject to scrutiny from the Basque parliament. The SPRI Group also collaborates with ICEX Spain Trade and Investment, the Spanish government’s trade and internationalisation agency. It participates in regular meetings in Madrid alongside other exporting regions to exchange information. In host countries, BTI office staff meet with counterparts from other Spanish regional trade offices and the Spanish embassy ICEX team to share information on the local business and political environment and to plan joint activities.

Summary Point

The Basque Country principally structures its EU engagement around its modern industrial economy, increasing returns through collaborative partnerships with other EU regions and building influence in the EU institutions by showcasing economic and
policy innovations. Through its fields of excellence, it works to simultaneously drive forward economic and social development and shape EU policy.
EUROPEAN UNION REGION

9. Bavaria

Bavaria is the largest federal state of Germany by area, and one of its most populous. Within the German political system, it has significant domestic competences and rights to participation in federal institutions. While it is known for its distinctive culture and politics, the Free State of Bavaria is equally an active participant in EU affairs. As a powerful region within arguably the EU’s most influential member state, Bavaria is well positioned to exercise a substantive role in EU policy-making, despite not being a principal EU decision-maker. Bavaria hosts more than 120 consulates and other diplomatic missions, mostly in Munich – a testament to its political and economic significance. Moreover, the Bavarian state government is forthright in its ambition to shape EU policies as a constituent part of the Union. In defining its EU engagement, it draws legitimacy from both the Bavarian constitution and the German constitution (Basic Law), which the government interprets as giving it a mandate to participate in EU decision-making.

Bavaria’s European Policy

Within the government, the Bavarian State Chancellery exercises overall responsibility for EU affairs, as well as external affairs generally. The Minister of State for Federal and European Affairs and the Media undertakes principal political EU engagement. Nevertheless, EU policy is purposefully not confined to a single department. Instead, each government ministry individually pursues the European dimensions of its respective policy fields and conducts its own direct engagement with state and federal actors. The chancellery manages major cross-government topics, such as the EU budget and euro policy. It also coordinates and supports the EU work of the different ministries, including providing finance for EU engagement activities. While articulating a distinctive European and international presence, Bavaria considers its external engagement to be complementary to German federal foreign policy.

The Bavarian state government since 2018 has been a coalition between the centre-right Christian Social Union (CSU) and the centrist Free Voters of Bavaria. Indeed, the CSU has been the primary governing party in Bavaria since the 1950s. This continuity of conservative government has inevitably shaped the region’s European policy. The current government has styled Bavaria as a ‘stable anchor and influential force in the heart of Europe’. Drawing on its geographical position, it also sees itself as a bridge and bridge builder between eastern and western Europe. Europe forms a major part of its coalition agreement, which includes a clear commitment to European integration and to working at state, federal and European levels to actively shape EU policies. The agreement pledges the government to strengthen direct engagement with EU policy actors, cooperation with European countries and regions, and participation in EU forums to which it has access – particularly the Committee of the Regions.

Bavaria’s European policy covers a wide range of themes and policy fields. It reflects a strong internalisation of EU issues into domestic politics and socialisation of German political actors to the EU, alongside the practical implications of EU law for state and federal policy. The government’s priorities for the EU include increasing the input of regions into EU policy-making, mainly by significantly enhancing the power of the Committee of the Regions. Currently, the Committee’s formal role in EU decision-making is consultative, and only within certain areas of legislation. This point of view is related to the idea of a ‘Europe of the Regions’, the concept that regions could take
on a greater role in policy-making as European integration made states less relevant. The government also advocates more proactive application of the principle of subsidiarity, the fundamental EU concept that decisions should be taken as closely to the citizen as possible, and only brought up to European level where that would be more beneficial. It published a position paper in May 2018 on strengthening subsidiarity in the EU’s work. The central premise is that the EU should give greater consideration to determine which matters could be better addressed at national and sub-national level, and only develop an EU approach where common solutions are better.

Unsurprisingly then, on policy-making, the Bavarian state government takes the view that the EU should redouble its focus on ‘core competences’ – such as around the internal market and the euro. In keeping with the current German federal approach, Bavaria remains opposed to more radical eurozone reform, such as mutualisation of European national debt or the creation of a ‘transfer union’ in which more money is moved from wealthier EU states or less wealthy ones. On external migration into the EU, the state government supports a rapid expansion of Frontex, reform of the Dublin system of asylum-seeker processing and increased returns of unsuccessful asylum-seekers to third countries – policies intended to reduce immigration. The government also argues for the EU to strength its position in the world through taking a more unified approach in the Common Foreign and Security Policy, and using rule-based trade policy to promote European standards. On Brexit, it would prefer the UK to remain integrated into the internal market, but prioritises the stability and unity of the EU. These policy positions underline the point that EU regions can develop detailed perspectives on EU issues and integrate them into their government programme, even on areas for which they do not have direct competence – but, as part of the EU, they have interests to articulate.

Engagement at National and State Level

Contributing to the German national position on EU issues is another important means of engagement for Bavaria. Given Germany’s federal system, Bavaria and the other states have codified rights to manage EU affairs domestically in their areas of competence and to be involved in national EU policy. Bavaria has six seats in the Bundesrat, the second chamber of the German parliament – the highest number possible under the system of digressive proportionality. In the Bundesrat, it can work with other regions to pass resolutions on EU topics and then put those points to the federal government. Bavaria has its own representation in Berlin, and it also engages directly with federal actors on pertinent questions – not just with the Federal Foreign Office, but across federal ministries on EU-related work. Since Bavaria is a larger and more influential German state, it has greater clout to engage directly with the federal government. The work of the Bavarian state government is also complemented by the strategic approaches of parts of Bavaria, such as Munich, which recently set out its own European and international affairs strategy, focused on an urban agenda and supporting European integration.

Bavaria also undertakes extensive engagement on the EU with the public. It organises a range of activities to foster citizen engagement and participation in the EU. While not directly related to EU engagement, they bring indirect benefits the region’s EU profile. The government has launched an ongoing series of citizens’ dialogues on the future of the EU, taking place throughout Bavaria. One of the recent events featured European Commissioner for Justice Věra Jourová, as part of the Commission’s own citizens’ dialogue programme. These events can therefore serve as opportunities for
Bavarian actors to engage directly with senior EU figures. In the run-up to this year’s European Parliament elections, the government sponsored a Europe Bus to travel around the state as a mobile information centre, to bring attention to the elections and inform citizens on the EU.

The government joins municipalities, civil society and others annually in organising the European Weeks – two weeks of EU-related activities around Europe Day. Bavaria participates in the federal Europe Competition, a nationwide student contest about the EU which is funded by the federal and state governments. Through its annual ‘School for Europe – Bavaria’ awards, local schools are also recognised each year for their outstanding contributions to the promotion of European integration. Bavaria awards a Europe Medal, recognising individuals who have served Bavaria in a united Europe or contributed to the international reputation of Bavaria in the world. The government’s Bavarian Centre for Political Education also offers resources on learning about EU affairs. EU actors, especially in the European Commission, often take note of such initiatives and look favourably upon them, which can lead to a better environment for successful engagement.

**Bavarian Representation to the EU**

The Bavarian Representation to the EU, situated in the prominent and restored former Institut Pasteur de Bruxelles, is the central point for Bavaria in Brussels. In line with the government’s philosophy, advocating Bavarian interests in Brussels and Strasbourg is considered just as important as doing so in Berlin. With 35 staff from across Bavarian state government departments, it is a sizeable mission for a region – as are most of the EU offices of German regions. Its primary functions are to assist in coordinating EU policy across the Bavarian government and to engage with the EU institutions and the EU member states. In keeping with its robust policy positions on EU affairs, the Bavarian representation builds dense networks of contacts with EU actors, particularly in the European Commission, EU Council, European Parliament and Committee of the Regions. It also acts as an essential relay of pertinent EU developments for the government in Munich. The representation maintains productive relationships with the German Permanent Representation and other German regional offices in Brussels, while still pursuing its own interests – especially in areas of regional competence, such as media and culture.

In Brussels, the representation undertakes a number of other activities to further its priorities. It hosts frequent ministerial visits and occasional Bavarian cabinet meetings in Brussels, including one in May 2018 featuring an exchange of views with European Commission president Jean-Claude Juncker and European Commissioner for Budget and Personnel Günther Oettinger. The representation produces a biweekly ‘Europe Report’, a comprehensive review of all major EU policy developments in Brussels, normally ranging from 70-125 pages, to keep Bavarian actors informed of EU issues. It also supports Bavarian businesses, researchers, municipalities and other organisations in engaging and interacting with the EU. The mission equally facilitates the engagement of the Bavarian parliament in Brussels. For instance, it hosted a summit of German and Austrian state parliaments, plus the Süd Tirol regional parliament, which produced a Brussels Declaration on subsidiarity and future cooperation. This summit also included appearances from the European Commission president and members of the European Parliament. The representation itself organises around 300 events per year, many featuring high-profile speakers and prominent guests. It acts as a venue to launch events of Bavarian projects in Brussels, and it runs a culture programme in addition to policy events.
Bavaria engages on a range of major EU issues in Brussels, including those over which it has direct domestic competence and those of which it does not. Particularly in the Commission, its views are often taken seriously in the early stages of policy formation. It is generally considered by EU actors to have a degree of weight in Brussels which is more significant than might otherwise be anticipated for a region. Its representation is successful at engaging with senior figures in the EU institutions and securing their participation in its activities. It has also proven adept at connecting with various Bavarian figures in Brussels, including Bavarian members of the European Parliament and personalities in media organisations and think tanks. Accordingly, the representation has created many avenues for engagement, direct and indirect, in support of its EU strategy.

Engagement in Europe

Bavaria’s engagement in the EU member states is concentrated primarily on its neighbouring countries and the wider region. It maintains close relationships with its three neighbours, Austria, the Czech Republic and Switzerland – with whom it shares cultural and historical links (and, for Austria and Switzerland, linguistic links). More broadly, Bavaria maintains economic and social connections to central, eastern and southeastern Europe. On a policy level, it works cooperatively with nearby countries and regions in the Alpine area through organisations such as the Association of Alpine States (Arbeitsgemeinschaft der Alpenländer – ArgeAlp) and the International Lake Constance Conference (Internationale Bodenseekonferenz). These organisations involve EU and non-EU participants, though their work does feature some European dimensions due to EU policies connected to transborder regions.

Bavaria’s largest focus for EU bilateral relations is the Czech Republic. The two territories share longstanding economic, trade, historical and cultural links, and they have operated a Bavarian-Czech working group at official level for over 20 years. Since 2010, political investment in the bilateral relationship has intensified, with increased ministerial visits. Bavarian-Czech relations cover almost all fields of policy, with clear commitments to working together on EU affairs. Their cooperation also involves many actors at local level – bordering administrative districts between eastern Bavaria and western Czech Republic work collaboratively on cross-border issues. The long-term objective is to promote convergence in the border areas of Bavaria and the Czech Republic. The Bavarian Representative Office in Prague, opened in December 2014, is currently Bavaria’s only government delegation in an EU member state. The office organises 20-30 events per year and aims to promote cooperation between government, business, civil society and citizens. The Czech Republic also operates a consulate general in Munich.

Bavaria’s presence in Europe is otherwise largely focused on trade and investment. Invest in Bavaria, the state’s trade and investment agency, is run by the Bavarian Ministry of Economic Affairs, Regional Development and Energy. It has 28 trade offices around the world, including seven in the EU: Austria (Vienna), Bulgaria (Sofia), Croatia (Zagreb), Czech Republic (Prague), Hungary (Budapest), Poland (Warsaw) and Romania (Bucharest). The Prague trade office is separate from the government delegation. It also has two trade offices in other parts of Europe: Switzerland (Zurich) and Ukraine (Kiev). In a recent announcement, the Bavarian minister-president Markus Söder stated that Bavaria intends to open an office in London at some point in future – it remains to be seen whether it will be a trade office or full delegation.

These offices promote trade, investment and economic cooperation – and they have a notable focus on central and eastern Europe, in keeping with Bavaria’s historic,
economic, social and cultural links. They work with Bavarian actors, including business, universities, municipalities and civil society, to undertake internationalisation. They also promote Bavaria generally, and aim to make Bavarians more actively aware of the various opportunities in Europe and beyond. In addition to geographic priorities and thematic focuses for trade promotion, the offices also maintain and develop European and international contacts in the policy sphere. It is notable then that, even for a region which is highly visible and active in EU policy and affairs, its presence in EU member states is overall still focused on trade.

Summary Point

Bavaria engages on the EU’s major debates, including those for which it does not have direct competence, in recognition of the importance of EU policies for its interests. Nevertheless, even it focuses its EU engagement efforts in Brussels and Berlin, and largely priorities bilateral relations in its presence in EU member states.
10. Comparing Approaches to EU Engagement

This report evaluates the EU engagement approaches of three different categories of territories – third countries, third country regions and EU regions. Their constitutional status and formal relationship with the EU are important factors in how they engage with it. These countries and regions invest significant time and resource in networking, lobbying and attempting to influence the EU, on short-term decisions and long-term policies. From outside the EU in particular, indirect routes can often be the only means of engagement available. The approaches to EU engagement outlined in the six cases are now analysed in five dimensions: (1) engagement with EU decision-makers, (2) engagement by regions through their state governments, (3) engagement in EU member states, (4) cooperation with European actors, and (5) international profiles.

Engagement with EU Decision-Makers

The most common approach of interacting with the EU is to engage directly with its principal decision-making institutional actors – the European Commission, the member states (acting in the EU Council) and the European Parliament. Other EU institutions, such as the Committee of the Regions and the Economic and Social Committee, form part of the policy environment, though they are more peripheral to most EU decision-making. The European External Action Service is formally responsible for relations with third countries and also plays a role in foreign, security and defence policy matters. This engagement with EU decision-makers predominantly takes place in Brussels.

Most third country and regional governments make a priority of establishing good relationships and contacts within the European Commission. Its extensive and varied role in the functioning of the EU means it is a logical point of focus. The Commission originates and proposes EU legislation, monitors and enforces EU law, implements EU programmes and represents the EU collectively. It also contains a high concentration of EU knowledge and expertise – both of EU law, policy and history, and of current EU trends and developments. Many Commission officials are receptive to engagement from non-EU as well as EU stakeholders, including in the development of EU legislation and programmes. The Commission is also perceived as having a longer-term focus than other, more political, parts of the EU machinery.

Norway gathers a significant amount of its EU intelligence through its strong relationships with Commission actors. This information is essential in enabling it to build a picture of the EU’s internal activity. It also capitalises on its status as an EEA country to seek to influence the development of EU policy, including by offering expertise to the Commission. The Basque Country, as a region inside the EU, fosters connections with Commission officials to develop a reputation for excellence in its key economic and policy areas, and to become a source of ideas for the Commission as a result. For an international region like Quebec, this engagement is often more about finding information than influencing policy, such as how the Commission will implement CETA in EU law. However, Quebec also indirectly engages with Commission actors on major global debates, including artificial intelligence.

For third countries and regions, while engaging with member states is important, the task is also more challenging. The EU’s large membership of 28 states makes it difficult to network with all their governments. Countries and regions often gravitate towards to those member states with which they already share connections, whether through geography, culture, language or history. Of the three EU decision-making
Comparing Approaches to EU Engagement

groups, the scope for working with member states is also the most differentiated between state and regional governments. Even outside the EU, fellow states can more easily conclude formal political agreements and cooperate within international politics. While member states will engage with regions, they are often more reserved in the areas and extent of such cooperation, particularly depending on their internal politics and those of the prospective region and its own state. Nevertheless, cooperation between bordering European regions and states, inside the EU and out, is often more feasible where shared challenges are involved.

The relationships that Norway maintains with its Nordic EU neighbours Denmark, Finland and Sweden are an essential part of its EU engagement. Through these member states, it gains a window into the intergovernmental workings of the EU Council and potential influence on EU policy. Where the Norwegian government is particularly concerned about a possible new EU development, for instance, one or more of the Nordic EU governments may occasionally take on board Norway’s position – but that is a rare offering and beyond Norway’s control. Bavaria has strong relations with the neighbouring Czech Republic, and they work cooperatively together across EU policy fields to exchange information, build partnerships and shape agendas. North Norway has shared connections with Finland and Sweden, based on their common high north geography. These relationships are crucial for its engagement on the development of EU policies that affect the high north, including on the Arctic, energy, natural resources and the environment.

The European Parliament has progressively become more important as a focal point for third countries and regions. Its accrual of powers and status as co-legislator of the Union have resulted in the intensification of relations with parliamentary actors. In engaging with the Parliament, attention must be paid to its different components – from the parliamentary leadership, political groups and committees to chairs, rapporteurs and individual members. Debates in the Parliament can garner international attention, as do initiatives such as its Sakharov Prize for human rights and freedom of expression. High-profile decisions on major issues such copyright reform can have a significant impact on the shape of EU laws. Parliamentary figures also often become champions for particular causes, generating attention and publicity. Even EU member states invest resources through their permanent representations in maintaining good relations across the Parliament.

Across both government and parliament, Norway has built extensively direct relations with the European Parliament. In addition to engagement from the Norwegian mission, the Norwegian parliament operates in Brussels through its office inside the European Parliament – the only such non-EU office. The European Parliament’s delegation for the EEA, EFTA and the North is a particular point of reference for interparliamentary links. As EU regions, the Basque Country and Bavaria are connected to the Parliament through the MEPs who represent their regions. Where these members hold leadership roles in the Parliament or the political groups, they can be well placed to advocate for their region’s interests. Moreover, their MEPs are EU decision-makers – the question is not of influencing from the outside, but persuading from the inside.

Regional Engagement through State Government

Alongside engaging directly with EU decision-makers, regions work with and through their national governments to influence the EU. This indirect engagement is largely dependent on the domestic constitutional context, including the formal division of powers between the regional and central levels, and the ongoing state of intergovernmental relations within the country. Such work takes place in the national
capital and in Brussels. In the capital, regions attempt to contribute to setting the national European policy, including specific positions or measures in line with their interests. Successfully shaping national policy is often easier in a federal system with strong institutional structures to facilitate and guarantee regional participation, and where a region can cooperate with counterparts to determine policy.

As a region without an external government presence, Geneva invests nearly all of its EU engagement efforts in operating at the national level in Switzerland. Through domestic structures including the Conference of Cantonal Governments, it works with other cantons, particularly those which share its more pro-EU outlook, to influence Swiss federal EU policy and Switzerland’s evolving relationship with the EU. Bavaria undertakes extensive representation on European affairs in Berlin to influence national EU policy, participating in federal institutions including the Bundesrat, partnering with other German states and dialoguing directly with the federal government. Given the German government’s major EU decision-making role, Bavarian contributions to the national European policy can feed directly into EU policy-making.

In Brussels, regions often cooperate with their national governments to achieve more than they might if they worked on their own. For many regions, their Brussels office is their largest or only principal policy representation outside of their state, and therefore a substantial and important investment. A major factor in this engagement is the relationship between the region’s office and the state’s diplomatic mission in Brussels. If the two offices communicate with each other well and share information, the region may have greater scope to influence their country’s on-the-ground engagement on EU business. Collaborative relations between the region and the state locally can be beneficial for both sides. Combined efforts can be maximised where both make best use of the information and intelligence which the other has gathered.

North Norway works collaboratively in Brussels with Norway and other Norwegian regions, jointly covering more policy ground and forming an interactive network of Norwegian government actors. Through its regular contact with Norwegian government officials in Brussels, North Norway can often achieve greater influence on Norwegian EU policy there than in Oslo, particularly given the relatively modest powers of local government at home versus its high degree of interest organisation in Brussels. The Basque Country participates in some of the work of the EU Council, through Spain and along with the other Spanish regions – although the arrangements for this access bring their challenges, direct involvement in EU business is highly valuable. Even as only an observer, participation in the Council’s work affords prime information and access, which can also be utilised to inform the Basque Country’s engagement on EU affairs with the Spanish government in Madrid.

**Engagement in EU Member States**

Brussels is the main venue for engaging and influencing the EU – for third countries, regions, and indeed EU member states themselves. Nevertheless, representations and offices in the EU member states can be complementary to EU engagement. The differences between states and regions in their EU representations are substantial. States possess a foreign policy and diplomatic network, and many maintain diplomatic missions across different EU members. These embassies bring together officials with different specialisations, engaging across political, economic, culture and other spheres, benefitting with the diplomatic standing to pursue state-to-state relations. They are equipped to incorporate EU matters into their bilateral relations in national capitals, with the aim of understanding and influencing those states’ positions on EU policies and of enhancing their influence with those governments in Brussels. Norway
Comparing Approaches to EU Engagement

has a diplomatic presence in the vast majority of EU member states, incorporating both EU matters and direct bilateral issues into EU national relationships. Among the member states, it devotes particular attention to the Nordic EU states and major EU countries including France and Germany, all with the intent to influence EU policy from the different national angles.

Regions often operate a smaller and more selective footprint in EU member states, due to constraints on their resources and powers. Regional governments must determine in which priority EU countries to locate representations – these decisions are often based on existing political and economic relations with member states or their regions. Some regions alternatively only operate an office in Brussels, and others have no external offices at all. While regions must consider whether to prioritise political, economic, cultural or other areas for their offices, trade and investment, along with research and innovation, are often principal themes. In practice, most regional offices in EU member states engage more on bilateral relations than direct EU policy. Where regions do attempt to influence national governments locally on EU decision-making, those efforts are usually highly targeted.

In its relations with EU member states, Quebec engages across the political, economic and cultural spheres. It maintains a large footprint in Europe for a region, though its representations have different sizes and types of remit. Their placement also reflects Quebec’s priorities. Notably, it has a full delegation in Munich, but only a trade office in Berlin – a product of its long-standing close partnership with Bavaria. The Basque Country operates a network of trade and investment offices in Europe, but no government representations. These offices are run by the economy department instead of the presidency department (which has responsibility for external affairs), and the focus on internationalisation, business support and investment. Bavaria maintains a government representation in Prague, as part of its close relationship with the Czech Republic – yet all of its remaining offices in EU member states are also trade and investment offices. Even for a region thoroughly engaged in contributing to EU policy, the focus in member states predominantly remains on the economy rather than shaping EU affairs.

Cooperation with European Actors

While states and regions focus much of their EU engagement directly on the main EU decision-makers, they also work with other state and non-state actors, particularly in Brussels, by forming or participating in alliances, associations and partnerships. Although it is more common for regions to join European associations than third countries, both work collaboratively with government and civil society actors on salient policy issues to build their profile in Brussels and achieve policy impact. Lobbying the EU institutions as a collective bloc of regions with shared interests and challenges can often prove more effective than working through national governments or engaging directly with EU decision-makers alone. Some regions, whether inside or outside the EU, also conclude partnership agreements with each other, as a means of reinforcing these mutual relations.

The Vanguard Initiative, bringing together the Basque Country, Scotland, and its other constituent EU regions, was created from capitalising on the high density of regional actors in Brussels. Through its joint pilot projects and policy work, the alliance functions by combining individual efforts on existing EU programmes, in this case on smart specialisation. It has garnering interest from the European Commission as a model to be replicated, a mark of influence for its members in jointly interacting with the EU institutions. For North Norway, the Northern Sparsely Populated Areas network
enables it, as a non-EU region, to cooperate with partner EU regions in the EU policy environment. Since most of the network’s members are part of the EU, North Norway benefits from their affiliation in the alliance’s engagement with the EU institutions.

**International Profiles**

The EU engagement approaches undertaken by third countries and regions fall under the various categories of diplomacy and paradiplomacy. At the same time, soft power constitutes an essential component to their engagement. In particular, governments channel soft power through the creation, development and maintenance of international profiles. These soft power profiles are based upon national or regional areas of expertise and excellence, innovative norms and policies, or unique features and characteristics. They are grounded in the strategic interests of states and regions, and form important dimensions of their external affairs policies. Whether Norway as an international peace-builder or the Basque Country as a modern and sophisticated industrial powerhouse, North Norway as an Arctic constituent or Bavaria as a stable anchor and economic partner in central Europe – these profiles are intended as points of reference for European and international actors. Where successful, they shape how these states and regions are perceived and remembered, and serve to facilitate strengths in EU engagement.

International profiles for states and regions and connected with reputation and identity. In external relations, whether from organic origins or intentional establishment, such profiles are deliberate and cultivated. Small state and regional governments normally prioritise a select number of international profiles, as part of their European and international strategies – keeping in mind that they are normally long-term investments which span government terms. Profiles are often framed as contributions to Europe and the world, and the most successful involve active domestic actors supporting the overall message through their continued efforts in that area. Nevertheless, states and regions must be realistic on the limitations imposed by geopolitics. The current unstable nature of global affairs and the numerous challenges to multilateralism make it more difficult to have impact, and therefore for many of those profiles to hold as much value. Moreover, profiles are not exclusive and states and regions compete for shared space. For instance, Norway, Ireland and Canada all define themselves as leading proponents of multilateralism, strong champions of human rights, and active supporters of the UN and in particular peacekeeping operations. All three are also currently campaigning for two available UN Security Council seats for their regional group in the upcoming 2020 election.
11. Principal Conclusions

- **EU Strategy**
  The EU is a complex entity with wide-ranging competence, numerous policies and programmes and a large volume of policy business. Consequently it is difficult for countries and regions to follow every development of relevance and strong prioritisation is required. This requires a robust European strategy that defines core objectives for EU policy development and engagement with the EU, which is realistic and targeted.

- **EU Decision-Makers**
  Developing and maintaining relationships with important EU actors is essential. As the main institutional decision-makers, the priority focus points should be: the European Commission, the EU member states and the European Parliament. Most EU actors are receptive to good ideas and good policy, including from non-EU sources, and they value well-informed, up-to-date interlocutors.

- **Other Relationships**
  Relationships with regions, states, and other actors can play a major role in EU engagement and policy success. A country or region should build coalitions of like-minded partners to work towards achieving common goals. Where possible, strategic partnerships and relationships with EU member states should be cultivated. Common links, such as geography, language and culture, can determine which member states to prioritise.

- **Influence from the Outside**
  Securing influence in the EU as a third country state or region is challenging. Engagement with the EU requires substantial investment in financial and human resources, political capital and long-term vision, with often minimal return. The opportunities for influence available are variable, dependent on circumstance, and subject to change. The best means of influence are finding point of common interest with decision makers.

- **Engagement/Presence in Brussels**
  Brussels is the most important venue for EU engagement, as the de facto capital of the European Union and the centre of EU decision-making. A strong presence in Brussels is necessary to have impact and influence on EU policies and decisions. Brussels also hosts a large diplomatic community and important non-state actors, and is therefore an ideal location for building partnerships and networks.

- **Relationship between Brussels Office/Network and National Capital**
  The relationship between a region/country’s representation in Brussels and its government at home matters significantly for the success of its EU engagement. Given the range of EU policy-making, most of it not all government departments form part of EU relations, and the Brussels representation is normally the key point, bringing everything together as one external presence.

- **Working Together in Brussels – Region and State**
  For regions, the relationship between their representation in Brussels and their state’s representation is also crucial. The best relationships involve a high degree
of collaboration on EU issues and good sharing of information and intelligence. This can be a two-way street, with both the region and the state bringing something to the table that the other values.

- **Representations in the EU**
  The structure of a state/region’s network of representations in EU member states should have a strong relationship to its European strategy. There is always a balance between bilateral relations (political, economic, cultural) and EU issues in the work of these offices and their engagement with the national government. For regions, bilateral relations are often more important, with a focus on trade and investment. For states, the full range of diplomatic relations comes into play and engagement on EU issues is more common and important.

- **External Affairs Consensus**
  Building a strong public consensus at home about a state or region’s external affairs policy, EU policy and its external engagement can be important for strengthening them and improving their success. In today’s interconnected world, the vast majority of domestic policy issues have a European or international dimension, so engaging in the EU and internationally is crucial, even for regions, in achieving policy goals at home.

- **International Profile**
  Creating an international profile in a select number of key areas can be an important part of interacting with the EU. It can give a compelling story to tell as part of the national/regional identity and demonstrate expertise and excellence in those areas. When that expertise is of value to the EU, that can create inroads into EU policy-making circles and access to senior EU figures. The state/region can make its global contribution and at the same time leverage that into its EU engagement.
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